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Supreme Court, U.S.
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No. 99-502

In The

Supreme Court of the United States

DONALD E. NELSON,

Petitioner,

v.

ADAMS USA, INC. and
APEHEAD MANUFACTURING, INC.,

Respondents.

On Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit

BRIEF OF PETITIONER

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QUESTIONS PRESENTED

Whether a non-party shareholder/officer of a corporate party is liable for an award of attorneys' fees pursuant to a statute (35 U.S.C. § 285) that authorizes an award of attorney fees to the "prevailing party."

Whether a United States District Court can bind a non-party to a judgment without first obtaining jurisdiction over that non-party and affording that non-party the opportunity to defend against his personal liability on the merits

Whether a United States District Court, consistent with the Federal Rules of Civil Procedure and the due process clause of the Fifth Amendment to the United States Constitution, can assess attorneys' fees against a non-party pursuant to 35 U.S.C. § 285 without first securing service of process upon, and jurisdiction over, that non-party.

PARTIES

In addition to the parties listed in the caption, the following were parties to the proceedings below:

Ohio Cellular Products Corporation; and

All American Sports Corporation.

Ohio Cellular Products Corporation does not presently have a parent corporation that owns more than 10% of its shares of stock. All American Sports Corporation is owned, in its entirety, by Riddell Sports, Inc., a publicly held corporation.

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CITATIONS TO OPINIONS RENDERED IN THIS CASE

The opinion of the Federal Circuit Court of Appeals, whose judgment petitioner seeks to review, is reprinted in the Appendix to his Petition for Writ of Certiorari at pp. 17-31 and is reported at 175 F.3d 1343 and 50 U.S.P.Q. 2d 1481. A previous opinion of the Federal Circuit Court of Appeals in this case is reported at 104 F.3d 376 and at 41 U.S.P.Q. 2d 1538. The decisions of the United States District Court for the Northern District of Ohio (Western Division) that are at issue on this appeal are reprinted in the Appendix to the Petition for Writ of Certiorari at pp. 41-81.

JURISDICTION

The judgment of the Federal Circuit Court of Appeals was entered on April 26, 1999. On June 3, 1999, the court of appeals denied petitioner's request for rehearing. Petitioner invokes the jurisdiction of this Court pursuant to 28 U.S.C. § 1245(1). The Petition for Writ of Certiorari was postmarked on August 31, 1999 and filed with the Court on September 2, 1999. On November 29, 1999 this Court granted the Petition.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This case involves the second to last clause of the Fifth Amendment to the United States Constitution, which provides:

> No person shall be * * * deprived of life, liberty or property without due process of law * * * .

This case also involves interpretation and application of 35 U.S.C. § 285, which provides:

> The court in exceptional cases may award reasonable attorney fees to the prevailing party.

Finally, this case involves interpretation and application of the following Federal Rules of Civil Procedure:

> *Rule 12(a)(1)*: Unless a different time is prescribed in a statute of the United States, a defendant shall serve an answer * * * within 20 days after being served with the summons and complaint * * * .
>
> *Rule 12(h)*: A defense of lack of jurisdiction over the person * * * is waived (A) if omitted from a motion in the circumstances described in subdivision (g), or (B) if it is neither made by motion under this rule nor included in a responsive pleading or an amendment thereof permitted by Rule 15(a) to be made as a matter of course.
>
> *Rule 15(a)*: A party may amend the party's pleading once as a matter of course at any time before a responsive pleading is served or, if the pleading is one to which no responsive pleading is permitted and the action has not been placed upon the trial calendar, the party may so amend it at any time within 20 days after it is served. Otherwise a party may amend the party's pleading only by leave of court or by written consent of the adverse party; and leave shall be freely given when justice so requires.
>
> *Rule 59(e)*: Any motion to alter or amend a judgment shall be filed no later than 10 days after entry of the judgment.

STATEMENT OF THE CASE

A. Introduction.

Congress, by enacting 35 U.S.C. § 285, has provided for the award of attorneys' fees in patent infringement lawsuits where there are "exceptional circumstances." Its purpose in enacting the legislation was to permit the

recovery of fees where it otherwise would be grossly unjust that the winner in a patent infringement lawsuit be left to bear the burden of his own counsel. *Badalamenti v. Dunham's Inc.*, 896 F.2d 1359 (Fed. Cir. 1990), *cert. den.*, 498 U.S. 851. In the instant case, the United States District Court for the Northern District of Ohio created the very injustice that Congress sought to prevent when it extended the reach of the Congressional authorization for recovery of attorneys' fees in patent infringement litigation to include, not only the parties to the litigation, but also non-parties. It did so by rendering judgment for $178,888.51 in attorneys' fees against petitioner, a non-party, in favor of respondents who had been the "winners" in a patent infringement lawsuit against another company, Ohio Cellular Products Corporation. This appeal arises out of that judgment.

B. History of the Patents in Suit.

Petitioner, Donald Nelson, and his former business partner, James Lammy, were the inventors of a method for manufacturing cross-linked foamed polyolefin padding used primarily in athletic equipment such as football helmets. The process involved placing a pre-cut piece of polyolefin foam in a mold, heating the mold until the foam conformed to the shape of the mold, cooling the mold then removing the finished product from the mold. Joint Appendix ("J.A.") at 45. In 1988 petitioner and Lammy applied to the United States Patent and Trademark Office ("PTO") for a patent on the process. While their patent application was pending, petitioner purchased Lammy's share of the business, which he then later sold to BSN Corporation. Transcript of the May 6, 1997 Proceedings Before the United States District Court for the Northern District of Ohio (hereinafter referred to as "Tr.") at 93. Petitioner, however, remained as president

of Ohio Cellular and continued to be in charge of its day-to-day operations. After the sale of Ohio Cellular Products to BSN, BSN's patent counsel, Robert Fieseler of Chicago Illinois, assumed responsibility for prosecution of petitioner and Lammy's patent application, which the PTO ultimately issued as United States Patent No. 4,980,110 (the "110 Patent"). Tr. at 94; J.A. at 45-67.

After issuance of the 110 Patent, petitioner, while attending a trade show, learned that a former Ohio Cellular customer, respondent Adams USA, Inc., was producing a foam product utilizing the same method that was protected by his 110 Patent. Subsequent investigation revealed that, as petitioner suspected, Adams had indeed been using that same method with one, what petitioner believed to be, insignificant difference. Whereas under petitioner's process, the pre-cut foam (or "preform") was to be placed in a mold at room temperature, Adams was adding a step to the process by preheating the preform to a temperature below which it becomes "sticky" or "tacky." *See*, Exhibit A to the Evidentiary Appendix to Ohio Cellular Products Corporation's Memorandum Opposing Motion for Summary Judgment. Once the foam reaches the "sticky-tacky" state, it becomes too difficult for the operator to handle and place into the mold. J.A. at 74. Believing that the preheating was not a legitimate part of Adams' process but rather a pretext by which Adams could distinguish its process from petitioner's patented process, petitioner, upon Fieseler's advice, sought a continuation of the 110 Patent so that he could broaden the claim with respect to the temperature of the preform. Tr. 21, 95. By doing such, petitioner could have the 110 Patent cover the Adams process (which he believed it covered, even without broadening the temperature claim) and thereby afford Ohio Cellular (which, at that point was the owner of the patent) a stronger basis upon which

to sue Adams for infringement. Transcript of the December 19, 1994 Deposition of Donald Nelson (hereinafter referred to as "Nelson dep.") at 144.[1]

Accordingly, Fieseler filed a continuation application with the PTO. However, upon review of the application, the patent examiner, James Lowe, determined that, by broadening his claim with respect to the temperature of the preform, petitioner was inserting new material into the patent. Tr. at 35. Because Examiner Lowe believed that petitioner was inserting new material, he requested from petitioner and Lammy supplemental declarations that they were the first and original inventors of the process described in the continuation application. *Id.*, at 37. Pursuant to Examiner Lowe's request, petitioner submitted a supplemental declaration for his co-inventor, Lammy, to sign. However, Lammy's attorney, David Purdue, in a letter to Lammy dated October 6, 1992, advised Lammy ***not*** to sign the declaration based upon Lammy's recently formed belief that he and petitioner were ***not*** the first inventors. J.A. at 204-07. Lammy's claim that he was not the first inventor was quite unusual and unexpected

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[1] The transcript of the December 19, 1994 deposition of Donald Nelson was included in the Evidentiary Appendix in Support of Adams USA, Inc.'s Motion for Summary Judgment. However, a close examination of the record reveals that respondents, when appending petitioner's deposition to their evidentiary appendix in support of their motion for summary judgment, failed to include the entire transcript. Accordingly, some of the pages, due to respondents' omission, may be missing from the record. Unfortunately, inasmuch as petitioner was ***not*** a party to the proceedings before the district court, there is nothing that he could do to ensure that a complete evidentiary record was made. Given the omissions in the record, one must wonder how the district court could conceivably have found "inequitable conduct" on petitioner's part, without the benefit of a ***complete*** transcript of his deposition.

in that when he and petitioner had applied for the 110 Patent, he had absolutely no problem executing a declaration that he was the first inventor. Tr. at 90-91; J.A. at 112-13. Unfortunately, the district court, by rendering judgment against petitioner *before* he was made a party, never afforded petitioner the opportunity to explore the reasons behind Lammy's sudden and unexplained change of heart.[2]

Contrary to Lammy's previous declaration to the PTO (when he and petitioner applied for the 110 Patent), Mr. Purdue's letter explained Lammy's present position that more than one year before applying for the 110 Patent, a company, known as "Foam Aid," had used a process for producing athletic pads that involved:

> Placing the preforms, in a non-sticky state, i.e., at about room temperature, into molds and using r.f. [radio frequency] heating to heat the preforms causing them to conform to the mold cavity.

J.A. at. 205.

Purdue further advised that the Foam Aid process was "prior art to the pending [continuation] application, and that in his opinion Lammy and petitioner were not the first and original joint inventors of their patented process." J.A. at 206. For the reasons set forth in Purdue's October 6, 1992 letter, Lammy declined to execute the "first inventor" declaration. [*Id.*]. Accordingly, it was necessary for petitioner to proceed on his own under 37

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[2] It is petitioner's belief that Lammy's sudden change of heart with respect to his status as original inventor was due to a recent relationship that he had developed with respondents after petitioner had bought out his share of the company.

C.F.R. § 1.47(a).[3] Petitioner had absolutely no problem with proceeding on his own despite the information in Purdue's letter. J.A. at 202-03. As suggested in that letter, petitioner, who previously had worked as an independent manufacturer's representative for Foam Aid in the early to mid 1980's, was the "salesman" who had informed Lammy about the Foam Aid process. It was (and still is) petitioner's position that the Foam Aid process was experimental and represented an entirely different process (due to, in part, its use of radio frequency heating) than the process described in the 110 Patent and the process that he was claiming in his continuation application. Tr. at 114. Nevertheless, despite the fact that the Foam Aid process was something entirely different from petitioner's process, petitioner and his attorney, Fieseler, set out to research what, if any, patents covered it. They conducted this research so that they could not only satisfy their duty to make full disclosure to the PTO but indeed exceed that duty by providing all information

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[3] 37 C.F.R. § 1.47(a) provides:

> If a joint inventor refuses to join in an application for patent or cannot be found or reached after diligent effort, the application may be made by the other inventor on behalf of himself or herself and the nonsigning inventor. The oath or declaration in such an application must be accompanied by a petition including proof of the pertinent facts, the facts set forth in § 1.17(j) and the last known address of the nonsigning inventor. The Patent and Trademark Office shall, except in a continued prosecution application under § 1.53(d), forward notice of the filing of the application to the nonsigning inventor at said address and publish notice of the filing of the application in the *Official Gazette*. The nonsigning inventor may subsequently join in the application on filing an oath or declaration complying with § 1.63.

concerning the Foam Aid process which, because of its use of radio frequency heating, was not material to petitioner's continuation application. J.A. at 162-65.

Accordingly, as part of his efforts to make full disclosure to the PTO, petitioner gave Fieseler the name of Clint, Inc., the company that he thought might be the owner of the patent on the Foam Aid process. J.A. at 129-31, 165, 172, 210-13. In addition, at some point prior to submitting his 37 C.F.R. § 1.47(a) Declaration to the PTO, petitioner also advised Fieseler that he believed an individual named Michel Marc was the inventor on the patent for the Foam Aid process. J.A. at 129, 172-73. Michael Marc is the president of, and has assigned many of his patents to, Clint, Inc., the company that petitioner believed may have been the owner of the Foam Aid process patent. J.A. at 122, 194-99. Fieseler, based upon the information that petitioner had provided to him, then conducted a patent search that uncovered three Michel Marc patents (two of which had been assigned to Clint, Inc.), and included these three patents as part of the declaration for petitioner to sign under 37 C.F.R. § 1.47(a). J.A. at 164-69. The declaration also included Purdue's October 6, 1992 letter to Lammy and specifically referred to that letter as an explanation of the pre-existing Foam Aid process that petitioner had observed in the 1980's. J.A. at 202-07. Of importance to this case is that Fieseler, in forwarding a draft of the declaration to petitioner, included a cover letter to petitioner, dated November 12, 1992 (J.A. at 210-12), in which he explained what he had done to go beyond his (and petitioner's) duty to make full disclosure to the PTO. J.A. at 166. Fieseler's November 12 letter referred to the three Michel Marc patents attached to the declaration and advised petitioner:

> The three patents were identified in a search we performed using the information you provided to us regarding Michel Marc and Clint, Inc.

J.A. at 211.

Based upon the information that Fieseler provided to petitioner, that patents revealed during a "search" utilizing the "information" "regarding Michel Marc and Clint, Inc.," were being disclosed to the PTO in conjunction with the 37 C.F.R. § 1.47(a) Declaration, petitioner signed the declaration and returned it to Fieseler for filing with the PTO.

Thus, petitioner, in executing the declaration, disclosed: (1) the fact that Lammy did not believe himself and petitioner to be the first inventors; (2) a description of the Foam Aid process as set forth in Purdue's letter; and (3) what petitioner believed had been all patents revealed as a result of a search using information about Michel Marc (the purported inventor of the Foam Aid process). Unfortunately, unbeknownst to petitioner, Fieseler had committed a serious error. In conducting the patent search, he did not use as a search word the name of the inventor, "Michel Marc," but rather used only the name of Marc's company, "Clint, Inc." J.A. at 172-74. Because, for whatever reason, Marc did not assign all of his patents to Clint, Inc., one of those patents, United States Patent No. 4,524,037 (the "Marc 037 Patent") did not surface when Fieseler conducted his search using only the name of Marc's company, "Clint, Inc.," as a search word. J.A. at 168. Ultimately, as it turned out, the overlooked Marc 037 Patent formed the basis of the district court's invalidation of petitioner's patents.

Based upon respondents' own exhibit (Attorney Fieseler's November 12, 1992 letter), petitioner had every reason to believe that in disclosing all patents revealed as a result of a search utilizing "information * * * regarding Michel Marc," full disclosure had been made to the PTO.

Although there was some confusion as to when petitioner first actually reviewed the Marc 037 Patent itself, this confusion was clarified at the hearing on the attorneys' fees issue and respondents' Exhibit 28 submitted in conjunction with that hearing. J.A. at 210-13. At the time he submitted his 37 C.F.R. § 1.47(a) Declaration, petitioner had, over a decade earlier, observed the Foam Aid process and had assumed at that time that it was subject to a United States Patent. J.A. at 185. He advised his patent attorney of his belief that Michel Marc was involved in the patent, and relied upon his attorney to do the rest. However, although petitioner was aware of the fact that Marc may have been the inventor of the Foam Aid process, which petitioner associated with "radio frequency molding," he was unaware of the specific patent's numerical designation. Rather, he believed that the three Marc patents that he disclosed to the PTO, all of which involved radio frequency molding, included the patent for the Foam Aid process, the principal characteristic of which was radio frequency molding. J.A. at 202-03; Tr. 51-53.

Notwithstanding petitioner's inability to know or remember (over the course of the previous decade) the precise numerical designation of the Marc 037 patent, respondents have misleadingly claimed throughout this litigation that petitioner deliberately concealed that patent from Examiner Lowe. Respondents, in making this ill-founded accusation, have yet to provide any explanation as to why petitioner would disclose the name of the patent's inventor, the inventor's company (Clint, Inc.), and the process he had invented, yet, conceal from the examiner the 037 Patent itself, full well knowing that the examiner, in reviewing the patents in the designated field of search for the continuation application, would actually be examining the Marc 037 Patent. The respondents'

accusation is as lacking in merit as it is in logic. Simply put, respondents have failed to present any convincing argument as to why petitioner should be held accountable for Fieseler's error in not disclosing the Marc 037 Patent to the PTO when petitioner had given him the necessary information by which he could not only search for, but also find, that patent.

Upon review of petitioner's 37 C.F.R. § 1.47(a) Declaration and its attachments, Examiner Lowe granted the continuation application, which the PTO issued as United States Patent No. 5,273,702 (the "702 Patent"). In granting the application, the examiner distinguished the Foam Aid process on the grounds that: (1) it used radio frequency heating; and (2) it did not teach how to avoid flash and form a smooth edge at the mold parting line. J.A. at 208-09. Although the materials accompanying petitioner's 37 C.F.R.§ 1.47(a) Declaration did not include the Marc 037 Patent, the patent examiner included the Marc 037 Patent's assigned classification number, "264/321," in the field of search for the 702 Patent. J.A. at 68. In other words, pursuant to his duty under, 37 C.F.R. § 1.104(a),[4] to examine ***all*** patents within the classifications designated in the field of search, ***the patent examiner examined the Marc 037*** as part of his prior art search for the 702 Patent, a fact to which respondents stipulated. J.A. at 151-55.[5] Having examined the Marc 037 Patent in the

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[4] 37 C.F.R. § 1.104(a)(1) provides in pertinent part: "On taking up an application for examination or a patent in a reexamination proceeding, the examiner shall make a thorough study thereof and shall make a thorough investigation of the available prior art relating to the subject matter of the claimed invention."

[5] Respondents suggested that in the course of his examination of prior art with respect to the continuation application that matured into the 702 Patent, Examiner Lowe

course of his prior art search, Examiner Lowe obviously determined that (for the same reasons that he distinguished the Foam Aid process) it lacked sufficient materiality or contained cumulative material such that it need not be included in the cited references.

Shortly after issuance of the 702 Patent, petitioner repurchased Ohio Cellular Products from Riddell, Inc., which in the interim had acquired the "Ohio Cellular Products" division of BSN. However, in selling Ohio Cellular to petitioner, Riddell retained the ownership rights to both the 110 Patent, and its continuation, the 702 Patent, which, as noted above, previously had been assigned to Ohio Cellular. At the time of sale of Ohio Cellular to petitioner, Riddell established a wholly owned subsidiary, All American Sports, Inc., as the actual entity that would retain the ownership rights to the patents. Defendants' Exhibit 38.[6] All American Sports then granted to Ohio Cellular an exclusive license to not only use the 110 and 702 Patents, but to also prosecute and defend them should such be necessary. *Id.*

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might have missed the Marc 037 Patent. J.A. at 174-75. Even if by some obscure chance, he missed the Marc 037 Patent in the course of his prior art search for the 702 Patent, he most certainly did not do so twice. The record reveals that with respect to both the 110 Patent and the 702 Patent, Examiner Lowe included the Marc 037 patent in his field of search. J.A. 45, 68, 92. The odds of Examiner Lowe having missed the 037 twice are remote. More likely, he reviewed the patent and, on both occasions, determined that it should neither be included as a cited reference nor otherwise form a basis upon which to deny the petitioner's applications.

[6] Defendants' Exhibit 38 is appended to Defendants' Reply to Plaintiffs' Brief in Opposition to Petition for Attorneys' Fees, which appears as United States District Court Northern District of Ohio (Western Division) Docket Entry No. 123.

C. Proceedings Before the District Court.

Based upon the rights granted by its exclusive license from All American Sports, Ohio Cellular filed the instant patent infringement lawsuit against respondent Adams, and an affiliate of Adams, respondent Apehead Manufacturing Inc. Respondents thereupon filed counterclaims against Ohio Cellular in which they sought: (1) a declaration that both the 110 and 702 Patents were invalid; and (2) attorneys' fees for "inequitable conduct" arising out of petitioner's alleged failure to disclose the 037 Patent to the PTO. Along with their counterclaims, respondents also filed a third party complaint against the patent owner, All American Sports, requesting the same relief that they sought in their counterclaims against Ohio Cellular. Counsel representing Ohio Cellular then entered an appearance on behalf of All American Sports and defended both Ohio Cellular and All American Sports on the counterclaims and third party complaint. J.A. at 1-8. Although, at the time of filing their counterclaims and third party complaint, respondents were aware of, and indeed made specific reference to, petitioner's alleged failure to disclose the Marc 037 Patent to the PTO, respondents never sought to join petitioner as a third party defendant until ***after final judgment had been rendered***. J.A. at 28.

Ultimately, the district court granted summary judgment in favor of respondents finding the 110 and 702 Patents to be invalid under 35 U.S.C. § 102 because they were anticipated by the prior Marc 037 Patent. The United States Court of Appeals for the Federal Circuit affirmed.

Thereafter, respondents filed a motion that attorneys' fees be assessed against Ohio Cellular and All American Sports. As grounds for their motion for attorneys' fees, respondents claimed that Ohio Cellular had engaged in:

(1) vexatious and unjustified litigation by filing the infringement action; and (2) inequitable conduct before the PTO based upon petitioner's alleged failure to disclose the existence of the Marc 037 Patent. Appendix to Petition for Writ of Certiorari ("Pet. App.") at 42-43. On February 12, 1997, the district court, ***without hearing***, granted respondents' motion for attorneys' fees. Pet. App. at 41. Although the court rejected respondents' claim that the litigation was vexatious and unjustified, it ruled that Ohio Cellular, by virtue of its alleged non-disclosure of the Marc 037 Patent, had engaged in misconduct before the PTO and therefore, "exceptional" circumstances existed that warranted the imposition of attorneys' fees in accordance with 35 U.S.C. § 285[7]. Pet. App. at 56. The court then issued its judgment entry in which it stated, "Defendants' motion for attorney fees is granted." *Id.* It made no mention of whether the motion was granted as to Ohio Cellular or both Ohio Cellular and All American Sports.

Subsequently, Ohio Cellular filed a motion for reconsideration upon which the district court conducted an evidentiary hearing to determine whether petitioner, as Ohio Cellular's president, had "actual knowledge" of the Marc 037 Patent at the time he submitted his 37 C.F.R. § 1.47(a) Declaration. Pet. App. at 59. The court conducted the hearing on May 6, 1999, and counsel for Ohio Cellular and All American Sports called as a witness, Attorney Robert Fieseler, who, as noted above, had been the patent attorney for petitioner and for All American Sports' affiliate, BSN. Although counsel for Ohio Cellular and All American Sports also called petitioner to testify

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[7] 35 U.S.C. § 285 provides: "The court in exceptional cases may award reasonable attorney fees to the prevailing party.

on their behalf, ***he was not represented by personal counsel at that hearing*** despite the fact that a conflict of interest was developing between himself and All American Sports.

The evidence presented at the May 6 hearing, as reflected in respondents' own exhibits and cross-examination of Fieseler, clearly proved that petitioner had disclosed to Fieseler: (1) the Foam Aid process; (2) the name of its inventor, Michel Marc; and (3) the name of Michel Marc's company, Clint, Inc. Yet, despite that evidence, the district court, on September 25, 1997, denied the motion for reconsideration, inexplicably finding that even if Ohio Cellular had not known of the existence of the Marc 037 Patent, it had engaged in inequitable conduct by allegedly failing to disclose the Foam Aid process.[8] Pet. App. at 64-65. As with its previous order granting respondents' motion for attorneys' fees, the district court's judgment entry denying reconsideration was silent as to whether it applied only to Ohio Cellular or both Ohio Cellular and All American Sports. Pet. App. at 57.

The district court, in denying the motion for reconsideration, then granted respondents thirty days within which to submit evidence concerning the amount of attorneys' fees that respondents had incurred in defending the infringement action. In ordering the respondents' submission, the court also verbally advised counsel for the parties to attempt to resolve the attorneys' fees issue without

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[8] Petitioner's 37 C.F.R. § 1.47(a) Declaration had appended to it Attorney Purdue's description of the Foam Aid process. There is no explanation as to how the district court could find that petitioner failed to disclose the Foam Aid process when the declaration that petitioner submitted to the PTO shows, on its face, that he did.

further intervention by the court. In response, Ohio Cellular's then trial counsel, Richard M. Kerger, wrote counsel for respondents and (***unbeknownst to petitioner***) stated:

> I am writing to potentially save you some time. The fact is if the attorney fee award exceeds a very limited amount, you will not collect it because the company [Ohio Cellular] will be liquidated. If you wish to discuss resolution on a nominal basis, please let me know.

J.A. at 150.

The letter made clear that Ohio Cellular, due to its impending liquidation, had ***no financial incentive*** to oppose the award of attorneys' fees. Subsequently, on October 27, respondents' counsel submitted their declarations regarding the amount of the fees being sought. In conjunction therewith, they submitted a "Petition for Attorneys' Fees" in which they sought to justify the time they expended as well as the fees being charged for that time.[9] In that petition, respondents' counsel sought not only a fee award from the plaintiff, Ohio Cellular, but also from the third party defendant, All American Sports. Despite respondents' awareness of Ohio Cellular's possible liquidation and their need to look to another party to collect the fee award, respondents in their petition made no mention of Kerger's October 13 letter. *Id.* Nor, did they argue or even suggest at that time that there was personal liability on the part of petitioner. *Id.*

Attorney Kerger, who, according to the appearance docket, represented both Ohio Cellular and All American Sports Corporation, but ***not*** petitioner (J.A. at 1-8), then submitted a brief in response to respondents' Petition for

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[9] The Petition for Attorneys' Fees appears as United States District Court, Northern District of Ohio (Western Division) Docket Entry No. 116.

Attorneys' fees.[10] The brief consisted ***in its entirety*** of arguments that All American Sports should not be held liable for attorneys' fees. Unfortunately for petitioner, Attorney Kerger was successful in his efforts to exonerate All American Sports, and the district court granted his request to exclude All American Sports from the fee award. Pet. App. at 66. Regrettably, Attorney Kerger, in protecting the interests of Ohio Cellular (by threatening liquidation) and the interests of All American Sports (by having it excluded from the fee award), left the personally unrepresented petitioner exposed as the only remaining entity with the financial means of satisfying the fee award, which the district court on January 22, 1998 reduced to judgment in the amount of $178,888.51. *Id.*

Recognizing this fact, respondents, on February 3, 1998, submitted a motion for leave to file a third party complaint.[11] However, apparently fearing that petitioner, unlike Ohio Cellular, may actually put up a vigorous defense to their claim for attorneys' fees, respondents sought to circumvent the procedures by which petitioner, in his own right, could challenge and defend against the award. Respondents were able to circumvent these procedures by seeking the extraordinary relief of amending, pursuant to Fed. R. Civ. P. 59(e),[12] the attorney fee judgment to include as a judgment debtor not only Ohio

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[10] Attorney Kerger's brief appears as United States District Court, Northern District of Ohio (Western Division) Docket Entry No. 122.

[11] Respondents' Motion for Leave to File a Third Party Complaint and to Amend Judgment appears as United States District Court, Northern District of Ohio (Western Division) Docket Entry No. 126.

[12] Fed. R. Civ. P. 59(e) provides: "Any motion to alter or amend a judgment shall be filed no later than 10 days after entry of the judgment."

Cellular, but also petitioner. Respondents sought this extraordinary relief notwithstanding the fact that petitioner was ***not*** a party and had not, up until that date, been afforded the opportunity to: (1) defend, in his own right, against the fee award claim; and (2) assert defenses which, although unavailable to Ohio Cellular, were available to him individually.

Because petitioner was neither a party to the action nor represented by his own individual counsel, no opposition to respondents' motion to amend was, or could be, filed on his behalf. The only opposition came from Attorney Kerger, who, on behalf of the now almost defunct Ohio Cellular, claimed: (1) there was no evidence to support respondents' motion (respondents had failed to submit any evidentiary materials); and (2) to amend the judgment *ex post facto* to include petitioner as a judgment debtor violated his due process rights. Instead of vigorously defending petitioner (who after all was ***not*** his client), Attorney Kerger devoted a substantial portion of his opposition defending his October 13 letter and arguing its inadmissibility under Fed. R. Evid. 408.[13]

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[13] Evid. Rule 408 provides in pertinent part:

> Evidence of (1) furnishing or offering or promising to furnish, or (2) accepting or offering or promising to accept, a valuable consideration in compromising or attempting to compromise a claim which was disputed as to either validity or amount, is not admissible to prove liability for or invalidity of the claim or its amount. Evidence of conduct or statements made in compromise negotiations is likewise not admissible.

Ohio Cellular's Brief in Opposition appears as United States District Court, Northern District of Ohio (Western Division) Docket Entry No. 128.

Notwithstanding the fact that petitioner's sole participation in the patent infringement proceedings was to testify as a witness and that he had been, by court order, specifically excluded from participating in, and having access to, most of the discovery conducted in those proceedings (J.A. at 38-44), the district court found that petitioner allegedly had been the Ohio Cellular officer responsible for the alleged "inequitable conduct" before the PTO and had been "personally involved" in the prosecution of the infringement action. Pet. App. at 74. On the basis of those unsupported findings, the court granted respondents "leave to amend their third party complaint to name [petitioner] as a third party defendant in his individual capacity." Pet. App. at 70. Amazingly, respondents ***never*** amended their third party complaint and ***never*** joined petitioner as a third party defendant. More importantly, there having been no third party complaint that named petitioner, ***there never was any service of process upon him***. The record in this case is crystal clear that as of 10:09 a.m., on the morning of March 25, 1998, petitioner was not a party, and had not appeared as a party, in this lawsuit. One minute later, at 10:10 a.m., the district court rendered judgment against him in the amount of $178,888.51. *Id.* Thus, respondents were able to obtain a money judgment against petitioner without his ever having had the opportunity to file and serve an answer or defend on the merits. By doing such, the respondents effectively deprived petitioner of defenses that he, as an individual, possessed and would have been entitled to present had he been afforded the opportunity to file an answer. Most importantly, by rendering judgment against petitioner before he had been made a party, the district court effectively deprived him of the opportunity to make, on his own behalf, a record establishing

that indeed, he had *not* engaged in the inequitable conduct of which he had been accused.

D. Appeal to the Federal Circuit Court of Appeals.

Petitioner timely filed a notice of appeal to the Federal Circuit Court of Appeals, which, in a two-to-one decision, affirmed the fee award judgment against him. Pet. App. at 17-39. Amazingly, the Federal Circuit affirmed in the face of docket entries that revealed, on their face, that petitioner was not, ***as of the date that judgment was rendered against him***, a party to the lawsuit. Despite the absence of a record that would support petitioner's personal liability, the Federal Circuit Court reached a number of conclusions about him that either find no support in the record or that are directly contradicted by undisputed evidence contained in that record. These unsupported findings of the Federal Circuit Court include:

(1) "There is no evidence before us, moreover, that the attorney who prosecuted the application was aware of the undisclosed material prior art. Instead, it appears that [petitioner] withheld the prior art from his attorney and thus from the Patent Office." Pet. App. at 19, fn. 3. Respondents' own hearing Exhibit 28 (J.A. at 210-12) contradicts this finding. Petitioner's patent attorney, Fieseler, acknowledged, ***in writing***, that petitioner had provided him with "information" about the "Foam Aid process," its inventor, "Michel Marc," and Marc's company, "Clint, Inc."

(2) "[Petitioner] could control the litigation and indeed was found to have personally supervised it." Pet. App. at 24. On April 7, 1995, the district court issued a protective order that permitted respondents, to "designate as confidential any document, thing, deposition testimony, or information produced or disclosed during this

proceeding and ***no such information designated confidential shall be disclosed to any party to this litigation or any officer, director, or employee of any party.***" J.A. at 38-44 [emphasis added]. The order effectively prevented petitioner from: (1) having access to any of the important documents disclosed during the litigation; and (2) attending the depositions of respondents' employees. It is difficult, if not impossible, for a party excluded from information produced during litigation to be able to control or supervise that litigation as the court of appeals found.

(3) "[Petitioner] had timely and sufficient notice to avoid prejudice to his defense because Ohio Cellular had a nearly identical interest in the litigation ***over liability for fees*** as [Petitioner] * * * ." Pet. App. at 27 [emphasis added]. As pointed out in the October 13, 1997 letter written by Ohio Cellular's counsel, Richard Kerger (J.A. at 150), Ohio Cellular had ***no interest or incentive*** in defending against the fee award because it was on the verge of liquidation. Rather, Kerger's sole interest was in protecting his other client, All American Sports. Petitioner, on the other hand, due to the fact that he owned sufficient assets with which to pay the fee award, had, unlike his corporation, a ***substantial interest and incentive*** in defending against it.

(4) "[Petitioner] may also be fairly associated with the October 13 letter * * * of which [he] was surely aware." Pet. App. at 28-29. Unfortunately for petitioner, because of the district court's rush to judgment, he was never afforded the opportunity to present evidence that he not only did not authorize the letter but also was entirely unaware, until after the fact, that it had been written. At a minimum, because the respondents, the district court and the Federal Circuit Court all relied

upon the letter as a basis for holding petitioner personally liable for attorneys' fees, due process, requires that petitioner be heard on the issue

(5) "[N]o basis has been advanced to believe anything different or additional would have been done to defend against the allegation of inequitable conduct had Nelson individually already been added as a party or had he been a party from the outset." Pet. App. at 30. As petitioner previously pointed out in his Petition for Writ of Certiorari, he had available to him affirmative defenses that either were not available to, or not presented by, Ohio Cellular. In addition, Ohio Cellular, pursuant to a hold harmless clause in its license agreement with All American Sports, successfully exonerated that company from liability. In contrast to the position of Ohio Cellular, petitioner, who, unlike Ohio Cellular has no personal obligation toward All American Sports, takes the very opposite position. It is petitioner's position that, to the extent attorneys' fees are allowable, All American Sports, the patent owner and primary beneficiary of the infringement litigation, is the party primarily liable for those fees. Regrettably, the untimely attempt to join petitioner as a party to the lawsuit foreclosed him from asserting this position. Clearly, if petitioner had been joined as a party prior to judgment being rendered against him and prior to the dismissal of All American Sports from the fee award claim, he would have handled the defense in a substantially different manner than did counsel for his essentially defunct corporation.

Federal Circuit Judge Newman dissented, and, taking note of the above listed discrepancies, concluded that petitioner "had no opportunity to contest the issue of his personal liability for inequitable conduct as an inventor." Pet App. at 33. She further observed that the method by

which petitioner was held liable for attorneys' fees "was an unusual procedure, indeed unprecedented." *Id.*, at 32.

Despite the unprecedented nature of its decision, the Federal Circuit Court of Appeals denied petitioner's motion for reconsideration. Pet. App. at 40. Accordingly, petitioner sought review in this court and, on November 29, 1999, this Court granted his petition for writ of certiorari.

SUMMARY OF ARGUMENT

In patent infringement litigation, 35 U.S.C. § 285 permits only a "prevailing party" to recover attorneys' fees. Decisions from this Court have made clear that for a person to be a "prevailing party" entitled to an award of attorneys' fees, the person must succeed in obtaining: (1) a material alteration of a legal relationship with the defending party; and (2) an enforceable judgment against him. *Texas Teachers Association v. Garland School District*, 489 U.S. 782 (1989); *Farrar v. Hobby*, 506 U.S. 103 (1992). In the instant case, respondents had no legal relationship with petitioner because he had assigned away all of his rights in the two patents that were the subject of the underlying patent infringement lawsuit. In addition, respondents never obtained an enforceable judgment against petitioner in the underlying patent infringement lawsuit and therefore were not "prevailing parties" entitled to a fee award under 35 U.S.C. § 285.

Moreover, well-settled principles of due process and Anglo-American jurisprudence preclude a person from being bound by a judgment to which he was not a party or had not been made a party by valid service of process. *Zenith Corp. v. Hazeltine*, 395 U.S. 100 (1969); *Hansberry v. Lee*, 311 U.S. 32 (1940). Accordingly, it was improper for the district court, without first affording petitioner the opportunity to defend against his personal liability on the

merits, to render judgment against him, when, as of the date of that judgment, he was *not* a party to the proceeding.

Finally, the due process clause of the Fifth Amendment to the United States Constitution, as well as the Federal Rules of Civil Procedure, require that there be service of process upon, and personal jurisdiction over, a defendant before a district court may render judgment against him. *Omni Capital International v. Rudolf Wolff & Co.*, 484 U.S. 97 (1987). A defendant may waive the lack of jurisdiction over his person as a defense only by his failure to include that defense in an answer or a pre-answer motion to dismiss required by Fed. R. Civ. P. 12. Because of respondents' failure to file and serve an amended third party complaint upon petitioner, he never was afforded the opportunity to waive the defense of lack of personal jurisdiction. Absent petitioner's waiver of that defense, the district court lacked jurisdiction to render judgment against him, and therefore its judgment against him is void. *McDonald v. Mabee*, 243 U.S. 90 (1917).

It is clear from the foregoing that the district court lacked the power to render judgment against petitioner. Even if it had that power, it lacked the requisite statutory authority to assess attorneys' fees against him. Accordingly, the fee award against petitioner should be reversed.

ARGUMENT

I. ONLY THE PARTY LEGALLY RESPONSIBLE FOR RELIEF ON THE MERITS IS LIABLE TO PAY AN AWARD OF ATTORNEYS' FEES UNDER 35 U.S.C. § 285.

The district court in the instant case, finding that there were exceptional circumstances, ordered that respondents were entitled to recover attorneys' fees

under 35 U.S.C. § 285, which provides with respect to patent infringement litigation:

> The court in exceptional cases may award reasonable attorney fees to the prevailing party.

As noted above, the district court, when it initially rendered its attorney fee award, was silent as to which party, Ohio Cellular (the patent licensee) or All American Sports (the patent owner) was the party responsible for paying it. On January 28, 1998, the district court, after receiving an objection that Attorney Kerger had filed on behalf of All American Sports, clarified this issue. The court held that All American Sports was "not subject to an award of attorney fees" and proceeded to render judgment "against Plaintiff Ohio Cellular Products Corporation." Pet. App. at 68-69. Assuming the correctness of the district court's finding that the instant case was an "exceptional case" on account of Ohio Cellular's alleged "inequitable conduct," this award would be correct. After all, with respect to respondents' counterclaim for invalidation of the 110 and 702 Patents, respondents were the prevailing parties, and Ohio Cellular was the party against whom they prevailed.

However, the district court took the above quoted fee statute one step further and assessed attorneys' fees not only against the losing party, Ohio Cellular, but also against a non-party to the underlying litigation on the merits. Simply put, petitioner, not being a party to the underlying litigation, had no opportunity to participate in the decision granting respondents relief on the merits. Indeed, petitioner having assigned all his rights in the two patents, first to Ohio Cellular, and then to All American Sports, had ***absolutely no rights at all*** in the underlying infringement litigation. Despite his lack of rights in the patents at issue, the district court saw fit to assess fees against him anyway.

This Court has made clear that unless there is a statute specifically authorizing the award of attorneys' fees, attorneys' fees are not recoverable as costs in the federal court system. *Alyeska Pipeline Co. v. Wilderness Society*, 421 U.S. 240 (1975). This Court added in *Alyeska Pipeline* that "courts are not free to fashion drastic new rules with respect to the allowance of attorneys' fees to the prevailing party in federal litigation * * * ." *Id.*, at 270. Yet, such is precisely what the district court has done in the instant case, by assessing attorneys' fees against a person who was not even a party to the underlying litigation that led to the fee award.

The above quoted statute, which provides for the recovery of attorneys' fees in patent infringement litigation, permits recovery only to the "prevailing party." While respondents may very well have been prevailing parties with respect to their patent invalidity claims against Ohio Cellular and All American Sports, the issue before this Court is whether respondents were prevailing parties with respect to ***petitioner***. With the exception of respondents' claims for attorneys' fees, they have not asserted in this litigation any claim against petitioner, and conversely, petitioner has not asserted any claim against respondents. While this Court has not yet addressed the issue of who is a "prevailing party" under 35 U.S.C. § 285, it has, on many occasions addressed the issue under the similarly worded 42 U.S.C. § 1988.[14]

Under its previous Section 1988 determinations as to who is a "prevailing party" for the purposes of a fee

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[14] 42 U.S.C. § 1988 provides: "In any action or proceeding to enforce a provision of sections 1981, 1982, 1983, 1985 and 1986 of this title, title IX of Public Law 92-318, or title VI of the Civil Rights Act of 1964, the court, in its discretion, may allow the ***prevailing party***, other than the United States, a reasonable attorney's fee as part of the costs." [Emphasis added].

award, this Court has by implication determined that the party against whom the prevailing party obtained relief is the party who must pay the award. *Kentucky v. Graham*, 473 U.S. 159 (1985). Inasmuch as petitioner was not a party against whom petitioners prevailed on the merits, he is not, under this Court's prior holdings, a party who can be held liable for fees.

In, *Graham*, this Court had the opportunity to address the "who must pay" issue under the similarly worded 42 U.S.C. § 1988. In *Graham*, the plaintiff had successfully prosecuted a civil rights lawsuit against Kentucky state police officers. Although the state of Kentucky itself was not a party (having been dismissed from the lawsuit on Eleventh Amendment grounds), the district court assessed attorneys' fees against it. This Court reversed the attorney fee award and noted:

> Section 1988 does not in so many words define the parties who must bear these costs. Nonetheless, it is clear that the logical place to look for recovery of fees is to the losing party, ***the party legally responsible for relief on the merits***.
>
> * * *
>
> Thus liability on the merits and responsibility for fees go hand in hand; ***where a defendant has not been prevailed against*** either because of legal immunity or on the merits, ***§ 1988 does not authorize a fee award against that defendant***.

Graham, 473 U.S. at 164-65 [emphasis added].

Under the above quoted language from *Graham*, petitioner, who was not prevailed against on the underlying merits, is not liable for attorneys' fees. Indeed, this Court in decisions subsequent to *Graham* has made clear that unless a party prevails against the person from whom it seeks an award of attorneys' fees, that party is not the "prevailing party" entitled to such an award of fees.

In *Hewitt v. Helms*, 482 U.S. 755 (1987), a prisoner sought to challenge prison disciplinary proceedings instituted against him. Although the district court and court of appeals denied him relief from the disciplinary action taken against him, he did receive a favorable determination in the court of appeals that his constitutional rights had been violated. This Court reversed a subsequent ruling that he was entitled to attorneys' fees as the prevailing party. This Court pointed out that more than a favorable ruling or judgment was necessary to be a prevailing party for an award of fees. This Court wrote:

> In all civil litigation, the judicial decree is not the end but the means. At the end of the rainbow lies not a judgment, but some action (or cessation of action) by the defendant that the judgment produces – the payment of damages, or some specific performance, or the termination of some conduct. * * * The real value of the judicial pronouncement – what makes it a proper judicial resolution of a "case or controversy" rather than an advisory opinion – is in the settling of some dispute ***which affects the behavior of the defendant towards the plaintiff.***

Hewitt, 482 U.S. at 761 [emphasis in the original].

This Court then concluded that if a plaintiff did not secure a judgment or ruling that "alters [the defendant's] conduct" or that "does not affect the relationship between the plaintiff and the defendant" the plaintiff is ***not*** the prevailing party. *Id.* True, in the instant case, respondents secured a judgment (invalidation of the 110 and 702 Patents) that altered the conduct of, and affected its relationship with, Ohio Cellular and All American Sports. However, the judgment invalidating the patents did ***not*** affect respondents' relationship with ***Petitioner***. For, he

had assigned away all of his rights to those patents and for that reason had no legal relationship with respondents to begin with. Because the underlying judgment invalidating the two patents neither changed the conduct of petitioner nor altered his relationship (to the extent there was a relationship) with respondents, respondents were not "prevailing parties" with respect to petitioner. Accordingly, the lower courts erred in finding that petitioner was liable for attorneys' fees, and their decisions should be reversed.

In *Texas Teachers Association v. Garland School District*, 489 U.S. 782 (1989), this Court reaffirmed its decision in *Hewlitt* and held:

> Thus, at a minimum, to be considered a prevailing party within the meaning of [42 U.S.C. §] 1988, the plaintiff must be able to point to a resolution of the dispute which changes the legal relationship between itself and the defendant. * * * The touchstone of the prevailing party inquiry must be the material alteration of the legal relationship of the parties in a manner which Congress sought to promote in the fee statute.

Texas Teachers Association, 489 U.S. at 792-93.

In the instant case, not only was there not a material alteration of the relationship between respondents and petitioner, but also, there was not, as noted above, a legal relationship to begin with. Absent a legal relationship with petitioner, respondents were not the prevailing parties, a status which is, as this Court pointed out in *Texas Teachers Association*, a "statutory threshold" for the recovery of attorneys' fees. *Texas Teachers Association*, 489 U.S. at 789. Because respondents have failed to meet the statutory threshold that they were "prevailing parties," entitled to recover attorneys' fees, the judgments below should be reversed.

Finally, this Court made clear exactly what it meant by the "material alteration of the legal relationship" in *Farrar v. Hobby*, 506 U.S. 103 (1992), when it held:

> No material alteration of the legal relationship between the parties occurs until the plaintiff becomes entitled to enforce a judgment, consent decree, or settlement ***against the defendant.***

Farrar, 506 U.S. at 113 [emphasis added].

Other than their fee award, respondents never were entitled to enforce a judgment, decree or settlement against petitioner in the underlying litigation. Clearly, as this Court noted in *Graham*, and recently reaffirmed in *Farrar*, a judgment against the party from whom the award is sought, is ***an absolute prerequisite*** to an award of attorneys' fees to the prevailing party. Indeed, how else could respondents be prevailing parties other than by having obtained a judgment against petitioner in the underlying litigation – an event that never occurred in the instant case? Because respondents failed to meet the threshold requirement that they obtain a judgment against petitioner, the decision of the circuit court should be reversed, and respondents' claim for attorneys' fees against petitioner should be dismissed.

Finally, with respect to the similarly worded 42 U.S.C. § 1988, the Second Circuit Court of Appeals had the opportunity to decide a case on point with the instant case. In *Association for Retarded Citizens of Connecticut, Inc. v. Thorne*, 68 F.3d 547 (2d Cir. 1995), the district court assessed attorneys' fees against a person who had been dismissed from the lawsuit. Despite the fact that the plaintiff had prevailed on the merits in the underlying lawsuit with respect to other parties whom the court had not dismissed, the court of appeals reversed the fee award as to the dismissed party. The court reasoned:

> There is no basis in law or logic for a prevailing party to recover attorneys' fees from a party

> other than the entity whose behavior has been positively influenced by litigation and ***against whom the plaintiffs have prevailed.***

Thorne, 68 F.3d at 552 [emphasis added].

In the instant case, respondents did not prevail against petitioner in the underlying infringement litigation. Because, as this Court noted in *Alyseka Pipeline*, the district courts may only award fees as specifically provided for by Congress, and there being no authority to award fees other than to the prevailing party, the respondents' claims for attorneys' fees against petitioner must fail. Simply put, respondents were not "prevailing parties" with respect to petitioner, and therefore there is no Congressional authority for an award of attorneys' fees as required by *Alyeska Pipeline*. Accordingly, the decisions of the district court and the court of appeals should be reversed.

Courts have reached similar results with regard to "prevailing party" status in patent infringement cases under 35 U.S.C. § 285, as they have with the above discussed comparable provisions of 42 U.S.C. § 1988. In *Consolidated Aluminum Corp. v. Foseco International Ltd.*, 910 F.2d 804, 814 (Fed. Cir. 1990), the court declined to remand the case for a determination of fees because of the lack of a "prevailing party." *See also, Radio Steel & Manufacturing Co. v. MTD Products, Inc.*, 731 F.2d 840 (Fed. Cir. 1984). In addition, in *Union Carbide Corp. v. Graver Tank & Manufacturing Co.*, 345 F.2d 409, 413 (7th Cir. 1965), the court reversed an award of attorneys' fees because "it can hardly be said that" there was a "prevailing party" and a "losing party." Similarly, in the instant case, as between petitioner and respondents, there is neither a "prevailing party" nor a "losing party" (petitioner not having lost on the underlying merits), and therefore, there was no basis for the district court to

award fees under 35 U.S.C. § 285. Accordingly, the decision of the district court should be reversed.

As noted above, starting with its decision in *Graham*, this Court has issued a series of decisions holding that respondents are not "prevailing parties" entitled to an award of attorneys' fees. Despite this Court's holding in *Graham* and its subsequent decisions, that non-parties are not liable for attorneys' fees, the Federal Circuit Court attempted to distinguish *Graham* on the basis of *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565 (Fed. Cir. 1986). In *Orthokinetics*, the federal circuit, applying a respondeat-superior-in-reverse theory of liability, ruled that a corporate officer could be held liable along with his corporation for damages (not attorneys' fees) in a patent infringement action. In the instant case, the Federal Circuit Court of Appeals pointed out that under *Orthokinetics*, petitioner could be held liable as the Ohio Cellular officer who allegedly had participated in the misconduct before the PTO that formed the basis of the fee award against his corporation, Ohio Cellular. However, the corporate officer in *Orthokinetics*, unlike petitioner in the instant case, was a ***party*** to the proceeding, and unlike petitioner, had the opportunity to defend, on the merits, that underlying litigation. In the instant case, the non-party petitioner had the opportunity to do neither. To the extent that the respondeat-superior-in-reverse doctrine of *Orthokinetics* has any validity, such is an issue that petitioner had the right to litigate just as the corporate officer in *Orthokinetics* had the right to litigate the issue. Moreover, with respect to statutorily authorized attorneys' fees to the "prevailing party," *Orthokinetics*, to the extent it holds a non-party corporate officer liable for attorneys' fees, is contrary to this Court's previous decisions in *Graham, Hewitt, Texas Teachers Association* and *Farrar*. As noted above, those decisions hold that only the party who

has been prevailed against on the merits is liable for attorneys' fees.

Because the decision in *Orthokinetics* applies only to corporate officers who are parties, and ***not*** to non-party officers who have not been prevailed against in the underlying litigation, that decision does not support the award of attorneys' fees against petitioner. Accordingly, the decision of the Federal Circuit Court of Appeals should be reversed.

II. BY RENDERING JUDGMENT AGAINST PETITIONER WITHOUT NOTICE AND WITHOUT AFFORDING HIM THE OPPORTUNITY TO DEFEND AGAINST HIS LIABILITY ON THE MERITS, THE DISTRICT COURT DEPRIVED PETITIONER OF THE RIGHTS SECURED TO HIM BY THE FIFTH AMENDMENT TO THE UNITED STATES CONSITITUTION.

When Congress enacted 35 U.S.C. § 285 and limited its reach to those persons who were actually parties to the underlying judgment, it clearly had in mind (1) the due process rights of non-parties and, more specifically, (2) the Federal Rules of Civil Procedure that are designed to protect those rights. Yet, neither respondents nor the district court saw fit to follow those procedures, specifically the procedures for joining a third party defendant as respondents sought in the instant case. Ironically, as justification for their failure to follow the Federal Rules, respondents mistakenly rely on the liberal pleading and amendment procedures of those rules. As Judge Newman, in her dissenting opinion below noted, these procedures "are designed to protect due process, not avoid it." Pet. App. at 33. Yet, such is precisely what respondents accomplished when they by-passed the complaint and service of process procedures and proceeded directly to judgment against petitioner.

The Fifth Amendment to the United States Constitution provides that "no person shall be * * * deprived * * * of property without due process of law." This court repeatedly has held that, at a minimum, due process requires notice and an opportunity to be heard. *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306 (1950); *Fuentes v. Shevin*, 407 U.S. 67 (1972). In the instant case, the joinder procedure that respondents utilized, and that the district and circuit courts ratified, satisfied neither one of these requirements. Because the procedures utilized to render judgment against petitioner did not even satisfy ***minimum*** requirements for due process, the judgment against him should be reversed.

Despite the lack of notice to petitioner, and the lack of an opportunity for him to be heard, respondents have sought to trivialize his due process rights by pointing to the alleged privity that he had with Ohio Cellular and his alleged ability to "control the litigation." According to respondents, petitioner, by his alleged control over the underlying patent infringement litigation, can be bound by the attorney fee judgment rendered against his corporation, Ohio Cellular. As noted above in the Statement of the Case, *supra*, both the district court and the Federal Circuit Court blindly accepted these arguments despite the absence of a record to support them. These arguments are at least apparently, although incorrectly, based upon this Court's holding in *Montana v. United States*, 440 U.S. 147 (1979). In *Montana*, this Court held that the principles of res judicata and collateral estoppel applied to those parties in privity with parties to previously adjudicated litigation such that parties in privity, who actually controlled the prior litigation, are bound by the judgment rendered in that prior litigation. However, in the instant case, the district court, in by-passing the requirements of the Federal Rules of Civil Procedure and the due process

clause of the Fifth Amendment to the United States Constitution, never afforded petitioner the opportunity to litigate the privity and res judicata issues that respondents now raise. It is the failure of the district court to afford petitioner the opportunity to litigate these issues, concerning his alleged privity with Ohio Cellular and his alleged ability to control the litigation (which as noted above was non-existent), that render the judgment against him void as violative of due process.

To insure protection of a non-party's due process rights, this Court in *Zenith Corp. v. Hazeltine*, 395 U.S. 100 (1969), expressly rejected respondents' "privity" and "control-over-litigation" arguments. In *Zenith*, the district court, in rendering judgment against a corporation, HRI, had included the corporation's non-party owner, Hazeltine, in the judgment because, among other reasons, one of Hazeltine's officers, Dodds, allegedly "controlled the litigation." This Court, in affirming the court of appeals' reversal of the judgment against the owner, Hazeltine, rejected the "control-over-litigation" argument, which respondents have advanced in the instant case, and held:

> Likewise, were it shown that Hazeltine through its officer, Dodds, in fact controlled litigation on behalf of HRI, and if the claim were made that the judgment against HRI would be res judicata against Hazeltine because of this control, ***that claim itself could be finally adjudicated against Hazeltine only in a court with jurisdiction over that company.***

Zenith Corp., 395 U.S. at 111 [emphasis added].

Thus, although alleged control over litigation and res judicata ***may*** be legitimate issues because of alleged privity between petitioner and Ohio Cellular, those issues may be adjudicated against petitioner ***only in a court that has obtained jurisdiction over him by valid service of***

process, an event that respondents concede never occurred.[15] *Id.*, at 110. Indeed, although alleged privity and control-over-litigation may be legitimate issues, what little evidence there is before this Court on those issues indicates that, rather than having control over the litigation, petitioner was specifically excluded from it. In addition, the lack of similar interests and litigation incentives between the defunct Ohio Cellular and the solvent petitioner negates any alleged privity between the two. Because the district court ***never*** obtained service of process over petitioner, the control-over-litigation and res judicata issues, which respondents now have raised, remain to be litigated. To deny petitioner the right to litigate these issues, especially in the face of evidence that he lacked the ability to control the litigation, is to deny him his due process rights. Just as the corporation's owner was entitled to be heard on the control-over-litigation and res judicata issues in *Zenith*, petitioner is entitled to be heard on those issues in the instant case. Accordingly, this Court should reverse the judgment of the district court.

Finally, Ohio Cellular's lack of a financial incentive to defend against respondents' claims for fees, along with the virtually conclusive evidence of petitioner's full disclosure in conjunction with his application for the 702 Patent, are compelling reasons for affording petitioner the opportunity to be heard on whether he had sufficient privity and control over the litigation such that the judgment against Ohio Cellular should be extended to include him as well. Indeed, this Court has made clear that there are constitutional limits on the concept of privity, and a non-party cannot be bound by a judgment against a party

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[15] Respondents' Brief in Opposition to the Petition for Writ of Certiorari at p. 12.

if that party did not adequately protect the interests of the non-party. *Richards v. Jefferson County, Alabama*, 317 U.S. 793 (1996). Attorney Kerger's opposition to assessing fees against All American Sports and his threat to liquidate Ohio Cellular constitute conclusive proof that Ohio Cellular did not adequately represent petitioner's interests in litigating the fee award issue. As this Court noted in *Richards*, due process precludes respondents from endeavoring "to bind" petitioner "to a prior judgment to which he was not a party." *Richards*, 317 U.S. at 805. Accordingly, as this Court did in *Richards*, it should reverse the district court's decision that sought to bind petitioner to a judgment to which he was not a party.

In *Martin v. Wilks*, 490 U.S. 755 (1989), this Court reaffirmed its previous holding in *Zenith*. In *Martin*, white fire fighters challenged a district court consent decree, to which they should have been, but were not, made parties. The consent decree required their municipal employer to set certain goals with respect to the hiring and promotion of black firefighters. The district court had held that the consent decree precluded the white firefighters from challenging, in a separate lawsuit, the employer's court ordered practices with respect to the hiring and promotion of black firefighters. This Court disagreed, noting, "We think this holding contravenes the general rule that a person cannot be deprived of his legal rights in a proceeding to which he is not a party." *Martin*, 490 U.S. at 759. This court then referring to its previous decision in *Zenith* held:

> All agree that "[I]t is a principle of general application in Anglo-American jurisprudence that one is not bound by a judgment in personam in a litigation in which he is not designated as a party or to which he has not been made a party by service of process." [Citations omitted]. This rule is part of our "deep-rooted

> historic tradition that everyone should have his own day in court." [Citations omitted]. A judgment or decree among parties to a lawsuit resolves issues as among them, but it does not conclude rights of strangers to those proceedings.

Martin, 490 U.S. at 762, quoting *Hansberry v. Lee*, 311 U.S. 32, 40 (1940).

This Court in *Martin* then explained that a party seeking to bind a non-party must join that non-party pursuant to the provisions of Fed. R. Civ. P. 19(a). This Court reasoned:

> Joinder as a party, rather than knowledge of a lawsuit and an opportunity to intervene, is the method by which potential parties are subjected to the jurisdiction of the court and bound by a judgment or decree. The parties to a lawsuit presumably know better than anyone else the nature and scope of relief sought in the action, ***and at whose expense such relief might be granted.*** It makes sense, therefore, to place on them a burden of bringing in additional parties where such a step is indicated * * * .

Id, at 765 [emphasis added].

Lest is not be said often enough, and the respondents' protestations aside, when the district court rendered judgment against petitioner, he had not yet been joined as a party to the lawsuit. This conclusion is not a "presupposition" on the part of the petitioner as respondents suggest,[16] it is an indisputable fact that the district court's own docket entries conclusively prove. Because

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[16] *See*, Respondents' Brief in Opposition to the Petition for Writ of Certiorari at p. 12.

the district court's docket entries fail to establish a necessary prerequisite to rendering judgment against petitioner – his joinder as a party as required under *Martin* – the decision of the district court must be reversed. Indeed, given respondents' repeated assertions, that petitioner had a substantial interest in the attorneys' fees issue (an interest so substantial that judgment could be rendered against him), then it only makes sense, given that interest, that respondents should have joined him as a party ***at a point in time "where such a step is indicated."*** *Martin*, 490 U.S. at 765 [emphasis added]. Respondents' post judgment joinder of petitioner (four years after litigation had commenced and four months after it allegedly first learned that Ohio Cellular was insolvent) flies in the face of their claim before this Court that petitioner, from the outset, had a substantial interest in the instant litigation. If such had been the case, they should have joined him in accordance with this court's holding in *Martin*. Their failure to so join him removes whatever remaining credibility there is to their claim that petitioner's interest in contesting the award of attorneys' fees was identical to that of Ohio Cellular. Under this Court's holding in *Martin*, respondents' failure to timely join petitioner to the litigation precludes them from binding him to that judgment. Accordingly, the decision of the district court should be reversed.

Finally, this Court made clear in *Mullane*: "This right to be heard has little reality or worth unless one * * * can choose for himself whether to appear or default, acquiesce or contest." *Mullane*, 339 U.S. at 314.

In the instant case, the post judgment joinder of petitioner deprived him of that constitutionally guaranteed right to choose to defend an action. Once the district court rendered judgment against him, there was little petitioner could do to contest his liability other than seek

discretionary relief with the court under Rules 59 and 60 as petitioner unsuccessfully attempted in the instant case. As this Court noted in *Mullane*, the right to be heard is not a matter that should be discretionary with the court as it is under the post judgment remedies provided by Rules 59 and 60. Rather, the right to be heard is mandatory, and the district court's total failure to afford petitioner a hearing to contest the fee award requires reversal of the judgment against him. Indeed, the above-discussed evidence that petitioner, in submitting his declaration to the PTO, made full disclosure, cries out for a hearing on his personal liability for attorneys' fees in the instant case. Because of the overwhelming evidence of, for lack of a better word, petitioner's innocence, there was substantial prejudice to petitioner when the district court denied him the opportunity to be heard, on his own behalf, on the issue of his personal liability for alleged misconduct before the PTO. Accordingly, the judgment of the district court should be reversed.

Because amending a judgment to include a non-party who neither has been served with process nor has had the opportunity to defend on the merits is so offensive to traditional notions of due process, respondents and the courts below, in all of the volumes of reported federal decisions, could cite to just one instance where such has been done. That one instance occurred in *Fromson v. Citiplate, Inc.*, 886 F.2d 1300 (Fed. Cir. 1989), a case involving such extreme circumstances (fraud upon the court) that it simply cannot serve as authority for ignoring the due process requirements of the United States Constitution. Unfortunately, the Federal Circuit Court accepted respondents' arguments, and extended its holding in *Fromson* to permit, in essence, post judgment joinder of any non-party who has notice of the proceedings.

In *Fromson*, the plaintiff patent holder sued the defendant corporation for patent infringement. Approximately three months before trial, the plaintiff suspected that the defendant corporation might be insolvent. Accordingly, the plaintiff in *Fromson*, unlike the defendants in the instant case, sought, ***prior to trial***, leave to join the defendant corporation's officers as new party defendants – presumably with the intent to file and serve an amended complaint upon them to join them into the lawsuit in accordance with the due process requirements of the United States Constitution. Notwithstanding the fact that, at the time the plaintiff sought leave to amend, the defendant's officers intended to put the defendant corporation into bankruptcy, they represented to the court that the defendant was "in sound financial condition." *Fromson*, 886 F.2d at 1301. Based upon that representation (that turned out to be false), the district court denied the plaintiff leave to amend. Only after the plaintiff obtained a judgment against the defendant was it revealed that the officers' "sound financial condition" assurances were in fact false. If those false statements had not been made, the officers would have been joined in the lawsuit, and unlike petitioner in the instant case, they would have had the opportunity to defend, on the merits, against their personal liability. Thus, in *Fromson*, the sole reason for the officers' lack of an opportunity to defend was their having defrauded the court regarding the financial solvency of their corporation. As the court of appeals put it:

> It comes with poor grace when the [corporate officers] object on appeal that the law should not, as it often does in similar contexts, require them to continue lying in a bed of their own making.

Fromson, 886 F.2d at 1304.

In the instant case, petitioner, unlike the corporate officers in *Fromson*, never was afforded the opportunity,

prior to trial, to defend himself individually against the respondents' claim for attorneys' fees. In *Fromson*, unlike the instant case, the corporate officers forewent that opportunity when they misled the court regarding the financial condition of their corporation. Thus, the instant case does not involve a situation as occurred in *Fromson* where petitioner, ***prior to trial,*** voluntarily relinquished his right to be heard. Accordingly, the holding in *Fromson* does not apply, and petitioner is entitled to have the judgment against him reversed and remanded so that he may present a complete defense on the merits.

Moreover, the defendants in *Fromson* never raised the due process and lack of service issues that petitioner has raised in the instant case. Rather, the issue that the *Fromson* court addressed was whether the amended complaint, joining the officers as new party defendants, related back, under Fed. R. Civ. P. 15(c), to the original date of the filing of the lawsuit. Rule 15(c), on its face, addresses the statute of limitations defense that apparently was at issue in *Fromson* but only will become an issue in the instant case if and when petitioner is afforded the opportunity to file an answer or pre-answer motion to dismiss. Because *Fromson* involved interpretation of Fed. R. Civ. P. 15(c) and its applicability to a statute of limitations defense, not the due process requirements of the United States Constitution or the service of process requirements of Fed. R. Civ. P. 4, it does not apply to the instant case. Accordingly, petitioner is entitled to have the judgment against him reversed.

Finally, respondents, in an attempt to argue the applicability of *Fromson*, may point to the October 13, 1997 letter of Ohio Cellular's former counsel, Richard Kerger, in which Kerger (not petitioner) threatened to liquidate Ohio Cellular in the event that respondents attempted to collect the judgment that had been rendered against it.

Respondents may attempt to make the false analogy that Attorney Kerger's threat of liquidation is equivalent to the misrepresentation of solvency that the corporate officers made in *Fromson*. However, unlike the situation in *Fromson*, Attorney Kerger in the instant case made the threat of liquidation not only without petitioner's authority, but also without his knowledge. The constitutional due process requirements discussed above ***mandate*** that petitioner have the opportunity to be heard on the issue of whether he authorized (or even knew about) the threat of liquidation rather than having the Federal Circuit Court of Appeals simply assume such a finding without any evidence to support it. In *Zenith, supra,* this Court held that a corporation's conduct during litigation did not bind the corporation's owner until such time that the owner has "had its day in court." *Zenith,* 395 U.S. at 111. Similarly, in the instant case, the threats of Ohio Cellular's former counsel do not bind petitioner until he too has had his day in court.

III. BEFORE ENTERING JUDGMENT AGAINST AN INDIVIDUAL, A DISTRICT COURT MUST HAVE JURSIDICTION OVER THAT INDIVIDUAL'S PERSON EITHER BY (1) VALID SERVICE OF PROCESS OR (2) WAIVER OF PERSONAL JURISDICTION BY THE INDIVIDUAL'S FAILURE TO INCLUDE THE LACK OF PERSONAL JURISDICTION AS A DEFENSE IN A RESPONSIVE PLEADING OR MOTION REQUIRED BY FED. R. CIV. P. 12.

A district court, or for that matter any court, may only render judgment against a person over whom it has acquired personal jurisdiction. *Zenith Corp. v. Hazeltine,* 395 U.S. 100 (1969). *Hansberry v. Lee,* 311 U.S. 32, 41 (1940), *citing, Pennoyer v. Neff,* 95 U.S. 714 (1878).

There are but two means by which a court may obtain personal jurisdiction over a person. As this Court noted in *Hansberry*, the first means is by valid service of process, an event that respondents concede did not occur in the instant case. The second means is by either express or implied waiver. *Insurance Corp. v. Compagnie Des Bauxites*, 456 U.S. 694, 703 (1982). There being neither service of process nor an express waiver of jurisdiction on the part of petitioner, the only conceivable method by which the district court could have asserted jurisdiction over petitioner and render judgment against him was by means of an implied waiver of personal jurisdiction. However, such an implied waiver occurs only where a party omits from his or her responsive pleading the defense of lack of personal jurisdiction. *Combs v. Nick Garin Trucking*, 825 F.2d 437, 442, fn. 2 (D.C. Cir. 1987). Thus, a pre-requisite to establishing jurisdiction by means of implied waiver is that the person, over whom jurisdiction is sought, actually appear and defend by responding to the complaint. *See, Golden v. Cox Furniture Manufacturing Co., Inc.*, 683 F.2d 115, 118 (4th Cir. 1982). In the instant case, the district court's docket entries (J.A. at 1-8) affirmatively establish that, at no point ***prior to*** the judgment being rendered against him did petitioner appear as a party. Nor, due to the failure of respondents to file a third party complaint against him, did he ever file a responsive pleading and/or a pre-answer motion to dismiss – ***the only means by which he could have waived the defense of lack of personal jurisdiction***. The absence of any appearance by petitioner, and hence any waiver on his part of any jurisdictional defenses, ***before*** the district court entered judgment against him, renders that judgment void. Indeed, as noted above, in the federal court system, Fed. R. Civ. P. 12 sets forth the only circumstances under which a defendant, including a putative third

party defendant such as petitioner, waives the defense of lack of personal jurisdiction. *Combs*, 825 F.2d at 442, fn. 42; *Golden*, 683 F.2d at 118; *see also, O'Brien v. R.J. O'Brien & Associates, Inc.*, 998 F.2d 1394, 1399 (7th Cir. 1993); *Pila v. G.R. Leasing and Rental Corp.*, 551 F.2d 941 (1st Cir. 1977). Waiver of the defense of lack of personal jurisdiction occurs only where the defendant or third party defendant fails to include the defense in a motion or responsive pleading required by Rule 12. However, Paragraph (a) of Rule 12 requires service of an answer or responsive pleading only "***after*** being served with the summons and complaint," an event that respondents concede never occurred. As noted by the court in *Silva v. Madison*, 69 F.3d 1368 (7th Cir. 1995):

> Requiring a responsive pleading before service is effected is at odds with a fundamental principle of federal procedure – that a responsive pleading is required only after service is effected and the party has been made subject to the jurisdiction of the federal courts. * * * " * * * Moreover, it is well recognized that a 'defendant's actual notice of the litigation is insufficient to satisfy Rule 4's requirements.' "

Silva, 69 F.3d at 1376, *quoting, Mid-Continent Wood Products, Inc. v. Harris*, 936 F.2d 297 (1991) and *Way v. Mueller Brass Co.*, 840 F.2d 303, 306 (5th Cir. 1988).

Because petitioner was not required to file a responsive pleading, the only means by which a party can waive the defense of lack of personal jurisdiction, he did not waive that defense, and therefore the judgment against him is void. Moreover, as this Court noted in *Omni Capital International v. Rudolf Wolff & Co.*, 484 U.S. 97 (1987):

> Before a federal court may exercise personal jurisdiction over a defendant, the procedural requirement of service of summons must be satisfied. "Service of summons is the procedure by

> which a court having venue and jurisdiction of the subject matter of the suit asserts jurisdiction over the person of the party served. " * * * thus before a court may exercise personal jurisdiction over a defendant, there must be more than notice to the defendant * * * .

Omni Capital, 484 U.S. at 104, *quoting, Mississippi Publishing Corp. v. Murphree*, 326 U.S. 438, 444-45 (1946).

Thus, despite the Federal Circuit Court's reasoning that petitioner had notice of the proceedings against him, his alleged notice was insufficient to obtain jurisdiction over him. There being no jurisdiction over petitioner, and no means by which petitioner could waive that jurisdiction, the decisions below must be reversed. Indeed, as noted by the court in *Orange Theatre Corp. v. Rayherstz Amusement Corp.*, 139 F.2d 871, 873 (3rd Cir. 1944), *cert. den. sub nom., Orange Theatre Group v. Brandt*, 322 U.S. 740 (1944), petitioner would have been within his rights "to ignore the whole proceeding * * * " without risking an enforceable judgment being rendered against him. Inasmuch as no answer or responsive pleading was required of petitioner, there was no failure on his part to assert lack of jurisdiction as a defense, and hence there was no waiver on his part of that defense. Accordingly, the judgment of the district court should be reversed because the court lacked personal jurisdiction over petitioner.

Moreover, this Court repeatedly has held: "The consistent constitutional rule has been that a court has no power to adjudicate a personal claim or obligation unless it has jurisdiction over the person of the defendant." *Zenith*, 395 U.S. at 99, *citing, Pennoyer v. Neff*, 95 U.S. 714 (1878) and *Vanderbilt v. Vanderbilt*, 354 U.S. 416 (1957).

Because, in the instant case, the district court, prior to judgment, never obtained jurisdiction over petitioner, either by service of process or by waiver, it lacked power

to render judgment against him. Accordingly, that judgment must be reversed.

Finally, this Court has made clear that a judgment rendered without valid service of process and without jurisdiction over the person is "not merely voidable" but indeed, it is "void." *McDonald v. Mabee*, 243 U.S. 90, 93 (1917). Because respondents have conceded that there was no service of process on petitioner, and there being no waiver of the defense of lack of personal jurisdiction, the district court's judgment against petitioner is void. Accordingly, the decisions of the district court and the court of appeals should be reversed, and the judgment against petitioner vacated.

Respondents have gone to great lengths to argue that petitioner, by his ***post*** judgment motion to amend the judgment, has waived the defense of lack of personal jurisdiction. However, this argument is misplaced because, as noted above, the judgment in the instant case is not merely voidable, but rather is void. As a void judgment it can never be rendered valid regardless of how many alleged post judgment appearances petitioner has made. No amount of post judgment appearances can rectify the failure of the district court to obtain jurisdiction over his person ***prior to rendering judgment against him***. Because the district court lacked jurisdictional power to render the judgment in the first place, it should be reversed notwithstanding petitioner's alleged post judgment appearances.

Moreover, it is well settled that a party's mere appearance in an action, standing alone, is ***not*** sufficient, as respondents have argued, to waive the defense of lack of personal jurisdiction. In *Orange Theatre, supra*, the defendants had appeared in the action through counsel and had filed a motion to dismiss on the basis of improper venue, the court's granting of which the circuit

court of appeals reversed. On remand, the district court granted the defendants an extension of time within which to answer or otherwise move to the plaintiff's complaint. Again, the defendants moved to dismiss, and again the district court granted the motion. Upon its second review, the Third Circuit Court of Appeals determined that despite the defendants' previous appearance when they moved to change venue, the trial court lacked personal jurisdiction over them. The court noted:

> The question then arises whether by thus voluntarily placing themselves under the court's power the individual defendants lost the right to assert the original lack of jurisdiction over their persons.

Orange Theatre, 139 F.2d at 874.

The court then discussed the concept of "special appearances" that challenged personal jurisdiction as practiced in federal courts prior to the adoption of the Federal Rules of Civil Procedure. The court then held:

> We think that the Rules of Civil Procedure call for the use of similar restraint on the part of the federal courts in the exercise of their power over a defendant who has voluntarily appeared to defend an action against him but who desires also to raise a jurisdiction defense. Under Civil Procedure Rule 12 such a defendant is expressly given the right, at his option, to assert by motion before answer or in his answer itself a jurisdiction defense such as that of lack of jurisdiction over his person. * * * The rule requires the court to decide ***without reference to the voluntary appearance*** the question of jurisdiction thus raised and, if the question is decided in the defendant's favor, to refrain from further exercising over him the power which his appearance has given it.

Id., at 874 [emphasis added].

In the instant case, petitioner's post-judgment appearance did not waive his defense of lack of personal jurisdiction. As of that date, there having been no third party complaint, and no service of process of that complaint, no answer or responsive motion was due, and therefore, there was no obligation on his part to raise lack of personal jurisdiction as a defense. *Silva*, 69 F.3d at 1376; *see also, Printed Media Services v. Solna Web, Inc.*, 11 F.3d 838 (9th Cir. 1993). Because, prior to judgment having been rendered against him, petitioner did not waive as a defense the district court's failure to serve him with process and obtain jurisdiction over his person, the judgment is void, and petitioner is entitled to have it vacated. As was the situation in *Orange Theatre*, petitioner was no more required to raise "lack of jurisdiction in his "first defensive move" (as respondents have argued), than were the defendants in *Orange Theatre*.

The court in *Pacific Lanes, Inc. v. Bowling Proprietors Association of America, Inc.*, 248 F. Supp. 347 (D. Or. 1965), reached a result similar to the result which the court reached in *Orange Theatre*. In *Pacific Lanes*, the defendant sought to challenge service of process and personal jurisdiction after having entered an appearance in the action. The court, noting "a defendant may challenge the jurisdiction over his person at any time before answer," quashed service of the summons and complaint and held:

> Even though the defendant on these facts, made a general appearance, it retains the right to challenge the jurisdiction over its person and has a right to withdraw the appearance.

Pacific Lanes, 248 F. Supp. at 348-49.

In the instant case, just as in *Pacific Lanes*, petitioner's post judgment appearance did not waive his right to challenge the lack of service of process upon him, and there being no such service of process, the judgment against him should be reversed.

CONCLUSION

For the reasons stated in Part I, the judgment of the district court should be reversed and respondents' claims for attorneys' fees against petitioner should be dismissed with prejudice. For the reasons stated in Parts II and III, the judgment of the district court should be reversed and the cause remanded for proceedings in accordance with the Federal Rules of Civil Procedure and the Fifth Amendment to the United States Constitution.

Respectfully submitted,

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